

MANORDALE DEVELOPMENTS LIMITED

DIRECTORS REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2001

COMPANY NUMBER 1120774

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MANORDALE DEVELOPMENTS LIMITED
COMPANY INFORMATION

Directors

L. J. Connor, B.A. (Chairman)
J. M. Connor

Secretary

J.M.Connor.

Registered Office

Bowkers Green Court,
Bowkers Green,
Aughton,
Lancashire, L39 6TA.

Auditors

Abel,
Southern House,
Anthony's Way,
Rochester,
Kent ME2 4DN.

Bankers

Barclays Bank plc
National Westminster Bank plc

MANORDALE DEVELOPMENTS LIMITED
REPORT OF THE DIRECTORS

The directors have pleasure in presenting their report and financial statements for the year ended 31 December 2001.

PRINCIPAL ACTIVITIES

The principal activities of the company are the rental of investment properties.

DIRECTORS AND THEIR INTERESTS

The directors who served during the year were :

L. J. Connor, B.A.
J. M. Connor

None of the directors who held office at 31 December 2001 had a beneficial interest in the share capital of the company or the ultimate parent undertaking, Connor Finance Corporation Limited.

C.L.Cropper was removed as a director on 30 March 2001.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the Financial Reporting Standard for Smaller Entities has been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This directors' report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Approved by the Board of Directors and signed on their behalf



L. J. Connor
Director

23rd August 2002.

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS

OF

MANORDALE DEVELOPMENTS LIMITED

We have audited the financial statements of Manordale Developments Limited for the year ended 31 December 2001 which are set out on pages 4 to 11. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors' Report. We consider the implications of our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 2001 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985.


ABEL
Chartered Accountants
and Registered Auditor

Southern House
Anthony's Way
Rochester
Kent ME2 4DN

29th August 2002.


MANORDALE DEVELOPMENTS LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2001

	note	2001 £	2000 £
TURNOVER		38,639	10,267
Cost of sales		(9,024)	(5,012)
GROSS PROFIT		29,615	5,255
Administrative expenses		(1,469)	(3,296)
OPERATING PROFIT	2	28,146	1,959
Interest receivable and similar income		108	4
Interest payable and similar charges		(11,492)	(3,675)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION (2000 : LOSS)		16,762	(1,712)
Taxation		(3,010)	-
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION (2000 : LOSS)		13,752	(1,712)
Balance brought forward		54,533	56,245
BALANCE CARRIED FORWARD		68,285	54,533

MANORDALE DEVELOPMENTS LIMITED
BALANCE SHEET
AT 31 DECEMBER 2001

	note	2001 £	2000 £
FIXED ASSETS			
Tangible assets	3	312,710	282,360
CURRENT ASSETS			
Debtors	4	2,995	9,245
Cash at bank and in hand		<u>13,739</u>	<u>9,026</u>
		16,734	18,271
CREDITORS: Amounts falling due within one year	5	<u>(13,869)</u>	<u>(9,388)</u>
NET CURRENT ASSETS		2,865	8,883
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>315,575</u>	<u>291,243</u>
CREDITORS: Amounts falling due after more than one year	6	<u>(197,290)</u>	<u>(186,710)</u>
		<u>118,285</u>	<u>104,533</u>
CAPITAL AND RESERVES			
Called up share capital	7	50,000	50,000
Profit and loss account		68,285	54,533
		<u>118,285</u>	<u>104,533</u>

The accounts are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and were approved by the board of directors on 23rd August 2002.


L. J. Connor
Director

MANORDALE DEVELOPMENTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2001

1. ACCOUNTING POLICIES

(a) Accounting basis and standards

The financial statements are prepared under the historical cost convention, modified to include the revaluation of freehold property, and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

(b) Turnover

Turnover represents the aggregate rentals receivable.

(c) Tangible fixed assets

Land and buildings represent freehold investment properties. Investment properties are revalued periodically and the surplus or deficit is transferred to a revaluation reserve. No depreciation is provided in respect of investment properties; this constitutes a departure from the statutory rules requiring fixed assets to be depreciated over their economic useful lives and is necessary to enable the accounts to give a true and fair view. Depreciation is only one of many factors reflected in the valuation and the amount which might otherwise have been shown cannot be separately identified or quantified.

(d) Taxation

Corporation tax is provided on taxable profits at the current tax rate. Deferred taxation is provided on timing differences, arising from the different treatment of items for accounting and taxation purposes, which are expected to reverse in the future, calculated at the rates at which it is expected to reverse.

2. OPERATING PROFIT

The operating profit is stated after charging:

	2001 £	2000 £
Auditors remuneration	<u>750</u>	<u>500</u>

3. TANGIBLE FIXED ASSETS

	£
Cost	
- at 1 January 2001	282,360
- additions	<u>30,350</u>
- at 31 December 2001	<u>312,710</u>

Fixed assets represent freehold investment properties. They are stated at cost which is considered by the directors to be equivalent to open market value. If the properties were stated at historical cost they would be stated as follows:

	£
Cost	312,710
Depreciation	<u>11,901</u>
Net book value	<u>300,809</u>

MANORDALE DEVELOPMENTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2001

4. DEBTORS

	2001	2000
	£	£
Trade debtors	2,995	-
Amounts owed by parent undertaking	-	9,245
	<u>2,995</u>	<u>9,245</u>

5. CREDITORS : AMOUNTS FALLING DUE WITHIN ONE YEAR

	2001	2000
	£	£
Bank loans and overdrafts	8,854	7,419
Amounts owed to parent undertaking	505	-
Corporation tax	3,010	-
Other creditors	1,500	1,969
	<u>13,869</u>	<u>9,388</u>

The bank loans and overdrafts are secured.

6. CREDITORS : AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2001	2000
	£	£
Bank loans and overdrafts	<u>197,290</u>	<u>186,710</u>
Amounts payable by instalments due after five years	<u>154,264</u>	<u>150,565</u>

The bank loans and overdrafts are secured.

7. SHARE CAPITAL

	2001	2000
	£	£
Ordinary shares of £1 each		
- authorised	<u>200,000</u>	<u>200,000</u>
- called up, allotted and fully paid	<u>50,000</u>	<u>50,000</u>

8. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

Connor Finance Corporation Limited is the ultimate parent undertaking. The controlling entity is the trustees of the W.J.Connor 1967 Settlement.